

**STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN**

1

## MONTHLY FINANCIAL REPORTING FORM




Submitted on 6/1/2004 6:34:59 PM

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1.	FOR THE MONTH ENDING: April 30, 2004
2.	Name: UNIVERSAL CARE
3.	File Number:(Enter last three digits) 933-0 209
4.	Date Incorporated or Organized: April 19, 1983
5.	Date Licensed as a HCSP: October 15, 1985
6.	Date Federally Qualified as a HCSP:
7.	Date Commenced Operation: November 1, 1985
8.	Mailing Address: 1600 EAST HILL STREET, SIGNAL HILL, CA 90806
9.	Address of Main Administrative Office: 1600 EAST HILL STREET, SIGNAL HILL, CA 90806
10.	Telephone Number: (562) 424-6200
11.	HCSP's ID Number: 33-0012358
12.	Principal Location of Books and Records: 1600 EAST HILL STREET, SIGNAL HILL, CA 90806
13.	Plan Contact Person and Phone Number: MARK A. GUNTER (562) 981-4037
14.	Financial Reporting Contact Person and Phone Number: JEFFERY V. DAVIS (562) 981-4004
15.	President:* HOWARD E. DAVIS
16.	Secretary:* JEFFERY V. DAVIS
17.	Chief Financial Officer:* JEFFERY V. DAVIS
18.	Other Officers:* JAY B. DAVIS, EXECUTIVE VICE PRESIDENT
19.	
20.	
21.	
22.	Directors:* HOWARD E. DAVIS
23.	JEFFREY V. DAVIS
24.	JAY B. DAVIS
25.	JOHN ADAMS
26.	STEPHAN BASS
27.	MARC DAVIS #
28.	FRAZIER MOORE
29.	
30.	
31.	

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	HOWARD E DAVIS (please type for valid signature)
33. Secretary	JEFFREY V DAVIS (please type for valid signature)
34. Chief Financial Officer	JEFFREY V DAVIS (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35.	If this is a revised filing, check here and complete question 4 on Page 2: <input type="checkbox"/>
36.	If all dollar amounts are reported in thousands (000), check here <input type="checkbox"/>

STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN  
  
**MONTHLY FINANCIAL REPORTING FORM**  
  
**SUPPLEMENTAL INFORMATION**

		1
1.	Are footnote disclosures attached with this filing?	No 
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No 
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No 
4.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

## STATEMENT AS OF 4-30-2004 OF 933-0209 UNIVERSAL CARE

## REPORT #1 ---- PART A: ASSETS

1	2
<b>CURRENT ASSETS:</b>	Current Period
1. Cash and Cash Equivalents	33,084,625
2. Short-Term Investments	
3. Premiums Receivable - Net	20,760,105
4. Interest Receivable	27,133
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	6,239,093
7. Prepaid Expenses	1,766,362
8. Secured Affiliate Receivables - Current	0
9. Unsecured Affiliate Receivables - Current	32,611
10. Aggregate Write-Ins for Current Assets	1,911,572
11. TOTAL CURRENT ASSETS (Items 1 to 10)	63,821,501
<b>OTHER ASSETS:</b>	
12. Restricted Assets	507,368
13. Long-Term Investments	0
14. Intangible Assets and Goodwill - Net	4,590,453
15. Secured Affiliate Receivables - Long-Term	3,749,169
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	1,377,891
18. TOTAL OTHER ASSETS (Items 12 to 18)	10,224,881
<b>PROPERTY AND EQUIPMENT</b>	
19. Land, Building and Improvements	14,707,839
20. Furniture and Equipment - Net	861,523
21. Computer Equipment - Net	1,463,614
22. Leasehold Improvements -Net	801,821
23. Construction in Progress	0
24. Software Development Costs	1,722,750
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	19,557,547
27. TOTAL ASSETS	93,603,929
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS</b>	
1001. Inventory	1,428,328
1002. Income Taxes Receivable	483,244
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	1,911,572
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS</b>	
1701. Deposit-L/T	332,007
1702. Deferred Taxes	993,599
1703. Others	52,285
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,377,891
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT</b>	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

## STATEMENT AS OF 4-30-2004 OF 933-0209 UNIVERSAL CARE

## REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
<b>CURRENT LIABILITIES:</b>	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	6,055,322	XXX	6,055,322
2. Capitation Payable	4,311,159	XXX	4,311,159
3. Claims Payable (Reported)	12,834,075		12,834,075
4. Incurred But Not Reported Claims	27,223,390		27,223,390
5. POS Claims Payable (Reported)	0		0
6. POS Incurred But Not Reported Claims	233,928		233,928
7. Other Medical Liability	5,705,612		5,705,612
8. Unearned Premiums	9,562,595	XXX	9,562,595
9. Loans and Notes Payable	122,567	XXX	122,567
10. Amounts Due To Affiliates - Current	0	XXX	0
11. Aggregate Write-Ins for Current Liabilities	0	0	0
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	66,048,648	0	66,048,648
<b>OTHER LIABILITIES:</b>			
13. Loans and Notes Payable (Not Subordinated)	4,320,412	XXX	4,320,412
14. Loans and Notes Payable (Subordinated)	6,394,763	XXX	6,394,763
15. Accrued Subordinated Interest Payable	111,908	XXX	111,908
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	1,362,000	XXX	1,362,000
18. TOTAL OTHER LIABILITIES (Items 13 to 18)	12,189,083	XXX	12,189,083
19. TOTAL LIABILITIES	78,237,731	0	78,237,731
<b>NET WORTH</b>			
20. Common Stock	XXX	XXX	5,126,950
21. Preferred Stock	XXX	XXX	0
22. Paid In Surplus	XXX	XXX	3,139,400
23. Contributed Capital	XXX	XXX	0
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	7,099,848
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	15,366,198
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	93,603,929
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES</b>			
1101.			0
1102.			0
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	0	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES</b>			
1701. Malpractice Insurance and other liabilities	944,000	XXX	944,000
1702. Workers Compensation-IBNR	418,000	XXX	418,000
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,362,000	XXX	1,362,000
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS</b>			
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

## STATEMENT AS OF 4-30-2004 OF 933-0209 UNIVERSAL CARE

## REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
<b>REVENUES:</b>		
1. Premiums (Commercial)	19,199,058	194,442,052
2. Capitation	306,848	3,209,189
3. Co-payments, COB, Subrogation	113,716	1,371,339
4. Title XVIII - Medicare	2,185,685	15,127,631
5. Title XIX - Medicaid	14,956,854	149,609,867
6. Fee-For-Service	578,179	3,884,453
7. Point-Of-Service (POS)	216,283	923,643
8. Interest	51,781	340,874
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	41,369	299,820
11. TOTAL REVENUE (Items 1 to 10)	37,649,773	369,208,868
<b>EXPENSES:</b>		
<b>Medical and Hospital</b>		
12. Inpatient Services - Capitated	1,231,734	15,584,202
13. Inpatient Services - Per Diem	14,303,816	118,823,353
14. Inpatient Services - Fee-For-Service/Case Rate	408,765	5,691,105
15. Primary Professional Services - Capitated	13,274,130	133,215,858
16. Primary Professional Services - Non-Capitated	0	0
17. Other Medical Professional Services - Capitated	149,061	2,338,822
18. Other Medical Professional Services - Non-Capitated	112,630	1,173,635
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	223,273	1,888,051
20. POS Out-Of-Network Expense	33,334	378,961
21. Pharmacy Expense - Capitated	303,845	6,144,547
22. Pharmacy Expense - Fee-for-Service	2,618,415	32,440,618
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	32,659,003	317,679,152
<b>Administration</b>		
25. Compensation	1,931,134	19,318,733
26. Interest Expense	38,047	374,523
27. Occupancy, Depreciation and Amortization	1,415,902	15,954,507
28. Management Fees	0	0
29. Marketing	1,208,867	11,648,249
30. Affiliate Administration Services	0	0
31. Aggregate Write-Ins for Other Administration	0	0
32. TOTAL ADMINISTRATION (Items 25 to 31)	4,593,950	47,296,012
33. TOTAL EXPENSES	37,252,953	364,975,164
34. INCOME (LOSS)	396,820	4,233,704
35. Extraordinary Item	0	-242,361
36. Provision for Taxes	21,042	173,646
37. NET INCOME (LOSS)	375,778	4,302,419
<b>NET WORTH:</b>		
38. Net Worth Beginning of Period	14,990,420	2,984,891
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock	0	5,100,950
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		3,100,000
43. Increase (Decrease) in Contributed Capital	0	-122,062
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	375,778	4,302,419
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	15,366,198	15,366,198

## STATEMENT AS OF 4-30-2004 OF 933-0209 UNIVERSAL CARE

## REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES</b>		
1001. Other Income	41,369	299,820
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	41,369	299,820
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES</b>		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES</b>		
3101.		
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS</b>		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS</b>		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

## REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		
1. Group/Individual Premiums/Capitation	20,943,163	205,011,458
2. Fee-For-Service	113,716	1,371,339
3. Title XVIII - Medicare Premiums	2,185,685	15,127,630
4. Title XIX - Medicaid Premiums	14,956,854	149,609,867
5. Investment and Other Revenues	93,149	883,056
6. Co-Payments, COB and Subrogation	578,179	3,884,454
7. Medical and Hospital Expenses	-31,332,553	-317,811,023
8. Administration Expenses	-5,047,930	-48,477,930
9. Federal Income Taxes Paid	2,028,676	1,876,071
10. Interest Paid	-38,047	-374,523
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	4,480,892	11,100,399
<b>CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b>		
12. Proceeds from Restricted Cash and Other Assets	0	1,214
13. Proceeds from Investments	0	1,411,676
14. Proceeds for Sales of Property, Plant and Equipment	0	30,000
15. Payments for Restricted Cash and Other Assets	0	0
16. Payments for Investments	0	-1,000,000
17. Payments for Property, Plant and Equipment	-128,468	-1,203,882
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-128,468	-760,992
<b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES:</b>		
19. Proceeds from Paid in Capital or Issuance of Stock	0	8,200,950
20. Loan Proceeds from Non-Affiliates	0	0
21. Loan Proceeds from Affiliates	0	0
22. Principal Payments on Loans from Non-Affiliates	0	0
23. Principal Payments on Loans from Affiliates	-94,092	-136,213
24. Dividends Paid	0	0
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	-3,749,169
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	-94,092	4,315,568
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	4,258,332	14,654,975
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH	28,826,293	18,429,650
29. CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	33,084,625	33,084,625
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
30. Net Income	375,778	4,302,419
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
31. Depreciation and Amortization	562,385	1,899,537
32. Decrease (Increase) in Receivables	-1,797,544	665,075
33. Decrease (Increase) in Prepaid Expenses	154,361	67,431
34. Decrease (Increase) in Affiliate Receivables	0	-32,611
35. Increase (Decrease) in Accounts Payable	-1,208,773	-3,490,797
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	1,079,547	-594,562
37. Increase (Decrease) in Unearned Premium	3,018,517	5,771,498
38. Aggregate Write-Ins for Adjustments to Net Income	2,296,621	2,512,409
39. TOTAL ADJUSTMENTS (Items 31 through 38)	4,105,114	6,797,980
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	4,480,892	11,100,399
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>		
2501. Portion of Capital contribution represented by note receivable		-3,749,169
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
TOTALS (Items 2501 thru 2503 plus 2598)	0	-3,749,169
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME</b>		
3801. Inventory, Income Taxes Receivable, Deferred Taxes, L/T Deposits	2,296,621	2,582,229
3802. Loss on the Disposal of Fixed Assets		60,633
3803. Gain on sale of Securites		-242,361
3898. Summary of remaining write-ins for Item 38 from overflow page		111,908
3899. TOTALS (Items 3801 thru 3803 plus 3898)	2,296,621	2,512,409

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## REPORT #4: ENROLLMENT AND UTILIZATION TABLE

## TOTAL ENROLLMENT

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	96,581	586		97,167	903,653	146,392		146,392	16,386	218	3.79
2. Medicare Risk	3,095	191		3,286	20,848	9,047		9,047	3,076	1771	5.58
3. Medi-Cal Risk	159,929		850	159,079	1,484,202	326,089		326,089	22,834	185	3.79
4. Individual	0			0	0			0			
5. Point of Service	753		32	721	7,310			0	0	0	
6. Aggregate write-ins for Other	229,187	236	317	229,106	1,856,284	65,048	0	65,048	1,837	12	
7. Total Membership	489,545	1,013	1,199	489,359	4,272,297	546,576	0	546,576	44,133	124	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group	0			0				0			
602. Healthy Families	30,226		317	29,909	271,165	45,121		45,121	802	35	2.94
603. AIM	12			12	96	1		1		0	
604. Medicare Cost	0			0	0			0			
605. ASO	0			0	0	N/A	N/A	N/A	N/A	N/A	N/A
606. PPO	0			0	0			0			
607. Plan to Plan	8,155	236		8,391	70,291	19,926		19,926	1,035	177	4.37
608. Dental Medi-Cal	21,722	0		21,722	190,142			0		0	
609. Dental Healthy Families	48,777	0		48,777	379,769			0		0	
610. Dental Commercial	13,085			13,085	125,629			0		0	
611. Dental Plan to Plan	107,210	0		107,210	819,192			0		0	
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699. 698) (Line 6 above)	229,187	236	317	229,106	1,856,284	65,048	0	65,048	1,837	12	3.60

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NOTES TO FINANCIAL STATEMENTS	
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OVERFLOW PAGE FOR WRITE-INS	
1.	Accrued Subordinated Interest Payable \$111,908
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## STATEMENT AS OF 4-30-2004 OF 933-0209 UNIVERSAL CARE

**KNOX-KEENE**  
**SUPPLEMENTAL INFORMATION**  
**PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2**

		1			2
1.	Net Equity		\$		15,366,198
2.	Add: Subordinated Debt		\$		6,506,671
3.	Less: Receivables from officers, directors, and affiliates		\$		32,611
4.	Intangibles		\$		4,590,453
5.	Tangible Net Equity (TNE)		\$		17,249,805
6.	Required Tangible Net Equity (See Below)		\$		9,694,469
7.	TNE Excess (Deficiency)		\$		7,555,336
		Full Service Plans			Specialized Plan
A.	Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$	50,000
<b>B. REVENUES:</b>					
8.	2% of the first \$150 million of annualized premium revenues	\$ 3,000,000	2% of the first \$7.5 million of annualized premium revenue	\$	
	Plus		Plus		
9.	1% of annualized premium revenues in excess of \$150 million	\$ 2,923,767	1% of annualized premium revenue in excess of \$7.5 million	\$	
10.	Total	\$ 5,923,767	Total	\$	0
<b>C. HEALTHCARE EXPENDITURES:</b>					
11.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 3,990,948	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	
	Plus		Plus		
12.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$	
	Plus		Plus		
13.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 5,703,521	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	
14.	Total	\$ 9,694,469	Total	\$	0
15.	Required "TNE" - Greater of "A" "B" or "C" \$	9,694,469	Required "TNE" - Greater of "A" "B" or "C" \$		

**KNOX -KEENE  
SUPPLEMENTAL INFORMATION  
PURSUANT TO SECTIONS 1374.64**

**POINT OF SERVICE (POS) "ADJUSTED" TANGIBLE NET EQUITY CALCULATION**

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1
1. Net Equity	\$ 15,366,198
2. Add: Subordinated Debt	\$ 6,506,671
3. Less: Receivables from officers, directors, and affiliates	\$ 32,611
4. Intangibles	\$ 4,590,453
5. Tangible Net Equity (TNE)	\$ 17,249,805
6. Required Tangible Net Equity (From Line 18 below)	\$ 9,703,563
7. TNE Excess (Deficiency)	\$ 7,546,242
 ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:	
<b>I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):</b>	
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$
10. Add lines 8 and 9	\$ 0
<b>II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):</b>	
<b><u>PART A</u></b>	
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 15)	\$ 9,658,088
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$ 45,475
13. Add lines 11 and 12	\$ 9,703,563

## STATEMENT AS OF 4-30-2004 OF 933-0209 UNIVERSAL CARE

## POS WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ 317,679,152	\$
Less:		
2. Capitated or managed hospital payment basis expenditures	276,106,782	
3. Health care expenditures for out-of-network services for point-of-service enrollees	378,961	
4. Result	41,193,409	0
5. Annualized	49,432,092	
6. Reduce to maximum of \$150 million	49,432,092	
7. Multiply by 8%	\$ 3,954,567	\$ 0
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$	\$
9. Line 8 less \$150 million		
10. Multiply by 4%	\$ 0	\$ 0
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ 142,588,024	\$
12. Multiply by 4%	\$ 5,703,521	\$ 0
13. Total	\$ 9,658,088	\$ 0

**STATEMENT AS OF 4-30-2004 OF 933-0209 UNIVERSAL CARE**



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